

MINUTES OF THE BOARD OF DIRECTORS – APRIL 23, 2025, REGULAR BOARD MEETING

Attendance		Present	Absent
Jim Lindner, Chair	City of Gem Lake	X	
Rob Rafferty	City of Lino Lakes		X*
Sara Shah	City of North Oaks	X	
Ed Prudhon	White Bear Township	X	
Andrea West	City of White Bear Lake	X	
Katherine Doll Kanne	City of Vadnais Heights	X	
Phil Belfiori	Administrator	X	
Dawn Tanner	Program Development Coord.	X	
Brian Corcoran	Water Resources Mgr.	X	
Lauren Sampedro	Watershed Tech & Program Coord.	X	
Angela Hugunin	Communication & Outreach Coord.	X	

*= with prior notice

**= alternate

Others in attendance: Chris Knopik and Frost Bowen-Bailey (CliftonLarsonAllen LLP); Troy Gilchrist (VLAWMO Attorney)

I. Call to Order

The meeting was called to order at 7:00 pm by Chair Lindner.

II. Approval of Agenda 🐦

The agenda for the April 23, 2025 Board meeting was presented for approval.

A motion was made by Director Shah and seconded by Director Doll Kanne to approve the April Board meeting agenda. Vote: all: aye. Motion passed.

III. Approval of Minutes 🐦

The minutes from the February 26, 2025 Board meeting were placed on the agenda for approval, as presented. No comments from the Directors.

A motion was made by Director Doll Kanne and seconded by Director West to approve the February 26, 2025 minutes. Vote: all aye. Motion passed.

IV. Visitors and Presentations

A. TEC Report to the Board for April & Finance Report

Administrator Belfiori provided an overview of the April TEC Report to the Board on behalf of TEC member Susan Miller. He highlighted action items from the April 9 TEC meeting including presentation of the annual report and monitoring report, the approval of two grant applications, an update on the WMP and JPA, as well as the 319 grant program. Administrator Belfiori also shared that the TEC+ met after the April TEC meeting, with local and state agency partners in attendance. Chair Lindner thanked Administrator Belfiori for this update.

B. Public Visitors - Non-agenda items

None.

V. Consent Agenda 🐦

Chair Lindner asked if any Board members wished to take items off of the consent agenda for discussion.

Consent items on the agenda and included in the April Board packet were as follows:

- A. Consider LL2 2025-01 Charley Lake Condo Association Smart Irrigation Controller Grant Application
- B. Consider VLAWMO Website Update – HDR Scope of Work and Updated Contract
- C. Consider WCA Replacement Plan Update for Polar Industrial
- D. Consider WCA Replacement Plan Wilkinson Waters in City of Lino Lakes
- E. Update on Various Spring Projects
- F. Consider MN Watershed Annual Resolution Packet
- G. Consider Pay Request from Lake Restoration Inc. for Tamarack Lake Alum
- H. Consider ISG Feasibility Study for Completion and Authorize Payment to NOC

A motion was made by Director Prudhon and seconded by Director West to approve the consent agenda. Vote: all: aye. Motion passed.

VI. Business

A. Administration and Projects

1. Consider 2024 Audit

Representatives from CliftonLarsonAllen LLP presented VLAWMO's 2024 audit results. Knopik began by sharing VLAWMO's decision to change auditing procedure for 2024 to Regulatory Basis Accounting. He noted that, while the auditing report may look different this year, this is a viable method with less staff time involved and lower fees. He confirmed that VLAWMO received a clean audit opinion for 2024.

Knopik explained that Regulatory Basis (cash basis) accounting does not follow U.S. Generally Accepted Accounting Principles (GAAP), so the auditors are required to give an adverse opinion in the Independent Auditors' Report. He clarified that this language is standard to a governmental entity reporting under a cash basis and that overall, VLAWMO has received an unmodified opinion (clean opinion) on the Regulatory Basis of Accounting that is now being followed instead. The appearance of any adverse language is not an item of concern for the organization and no audit adjustments or compliance-related concerns were found.

Director West asked about the reasoning behind the transition to the cash basis audit from an accrual basis. Knopik answered that the choice was made to reduce the financial burden of the audit, as well as the amount of time required by both VLAWMO staff and the auditor for the audit process.

Director Doll Kanne noted a difference between GAAP (Accrual Basis) accounting and the new regulatory (Cash) basis, pointing out that the GAAP basis has a focus on recording

expenses as they are incurred, rather than when checks are sent. Knopik confirmed this understanding, adding that although there are no longer accounts payable and accounts receivable included in the face of the audited financial statements, unaudited schedules of accounts payable and accounts receivable are included as other information at the end of the report.

Bowen-Bailey then gave an overview of financial results for 2024, noting that total 2024 disbursements increased over 2023 expenditures due to increased general and administrative costs. Total 2024 receipts increased over 2023 revenues due to increased charges for services, interest income, and miscellaneous revenue related to Projects.

Director West asked about Bowen-Bailey's statement that VLAWMO has approximately 14 months of reserve. She asked what a good standard would be for an organization of VLAWMO's size. In response, Knopik recommended looking at how much is actually in reserves. Based on the audit numbers, reserves include approximately 65% of the FY25 approved budget, which aligns with what the Auditors would expect. This amount was above the minimum recommendation of 50% in reserves.

Staff recommended the Board accept the 2024 Financial Report and audit documents and direct them to be distributed to the appropriate state and local agencies.

Discussion:

Director Shah motioned and Director West seconded to approve the 2024 Financial Report and audit documents and direct them to be distributed to the appropriate state and local agencies.

2. Consider First Draft of VLAWMO JPA and Authorize Release for Review/Comment

Administrator Belfiori and Troy Gilchrist, VLAWMO Attorney, presented the first draft of the VLAWMO JPA. They began by sharing background on the current JPA, explaining that VLAWMO was established by a JPA. The current JPA was adopted by VLAWMO's member communities in 2016 and will expire on December 31, 2026. Administrator Belfiori explained staff's work with Gilchrist to begin aligning the JPA update concurrently with the VLAWMO Watershed Plan update.

Gilchrist noted that the draft of the JPA included in the Board packet includes updates that better align text with VLAWMO's actual operations and functioning.

Administrator Belfiori and Gilchrist highlighted key substantive changes in the draft JPA, such as added recitals, clarity of Board roles, calling out the SSU as the organization's primary funding source, and updating budget processes. The draft JPA proposes a 20-year term rather than 10-year term to reduce costs and identifies that it can be amended at any time as needed. Administrator Belfiori noted that the updated VLAWMO boundary is included as the only attachment for the JPA.

Staff and VLAWMO attorney recommended approving the draft JPA for VLAWMO, with non-material changes, and authorizing VLAWMO staff to send the draft JPA to member community staff for review and comment.

Discussion:

Director Doll Kanne asked about limitations to the types of amendments that could happen under the JPA. Gilchrist clarified that a JPA is an agreement between communities, so administratively it can be burdensome to amend. However, if changes are consistent with state law, communities are free to make changes as desired.

Director Doll Kanne requested a redlined version of the draft JPA. Gilchrist confirmed it can be provided.

Director Prudhon inquired about the benefit of going with a blanket JPA rather than individual agreements between VLAWMO and member communities. Gilchrist responded that a Joint Powers Organization (JPO) always utilizes a single agreement because it altogether creates one entity and is consistent with other watershed management organizations, but the nature of JPAs is such that they can take more time administratively. Director Prudhon clarified that, with individual communities, there are likely differing interests, and each specific change involves back and forth.

Director Shah asked for clarification on the JPA timeline, confirming that at the June meeting there will be a second round of JPA draft review. She asked if further steps will be needed beyond the June meeting or if at that point it will be ready for 2027. Administrator Belfiori responded that it will depend on the degree and depth of follow-up that different communities require or request in the interim. If there are significant questions or comments, that may add extra time. Once all entities have signed at their level, the JPA will be ratified.

Gilchrist noted that with other organizations, he has prepared mock staff reports and resolutions to reduce workload for community staff. Chair Lindner noted that this would be helpful for communities with limited staff as they approach review.

Director Doll Kanne asked whether the JPA needs to be executed in 2026 to be implemented in 2027. Director Shah followed by asking about the interest in a critical deadline with this process.

Administrator Belfiori confirmed that the JPA is often looked at with the same lens as the WMP, so it can be helpful to provide them for review by member communities at a similar time. For instance, if more funding or a different funding mechanism is desired for a particular project, there is time to adjust one or both documents for interplay that may exist between the JPA and the WMP implementation section.

Director Doll Kanne motioned and Director West seconded to approve the draft of the JPA for VLAWMO, with non-material changes, and approve VLAWMO staff to send draft JPA to member community staff for review and comment. Vote: all aye. Motion passed.

3. Consider VLAWMO 2024 Annual Report and Monitoring Report

Huginin gave an overview of VLAWMO's requirements as a water management organization to submit annual reporting documents to the Board of Water & Soil Resources. She summarized VLAWMO's four annual reporting documents, noting the differences between document contents and audience. She noted that the annual report is required by BWSR within 120 days of calendar year's end and that the audit and financial statements are required within 180 days of the organization's fiscal year end. Documents will be posted on the VLAWMO website after Board approval.

Hugunin highlighted that the annual report document includes required components like monitoring trends, annual communication programs, status of local water plan adoptions, and extra materials like project and program highlights. She noted the grant program statistics of 23 grants awarded last year. The annual report also includes goals for the following year and financial standing of our organization. Hugunin showed the annual report summary, which makes our work more tangible for the public. Highlighted projects included the Wilkinson Lake deep-water wetland restoration, the Deep Lake shoreline restoration, and WMP outreach. Other projects included groundwater conservation initiatives, the White Bear Lake street rehabilitation project, and the Elmwood Park raingarden project.

Corcoran gave an update on monitoring program highlights from 2024, noting key nutrient sampling locations throughout the watershed. He shared that 14 lakes and 6 sites on CD14 are monitored by staff, with monitoring starting the first week of May and going through September. He highlighted pollutant indicators that are monitored by staff and special projects that are monitored over and above the usual monitoring program like spent lime project and BMP sampling, testing for iron, chloride, etc.

Director Shah asked about Black Lake and why it is not shown on the TSI graph. Corcoran answered that it is VLAWMO's best quality lake and access to the lake is difficult, so it was not sampled in 2024. Director Doll Kanne asked what the threshold line is on the TP graph. Corcoran described the shallow lake threshold.

Chair Lindner noted that some of the lakes are still below the threshold and that in 2024, they were higher than previous years. Corcoran said we had 4 inches more precipitation than average, which may have caused a spike in nutrients through more stormwater runoff on some of the lakes.

Staff requested Board consideration and approval of the 2024 Annual Report and Water Monitoring Report. Staff also requested that the VLAWMO Board authorize final submission of the 2024 VLAWMO Annual Report to the Board of Water and Soil Resources and the JPA member communities.

Director Doll Kanne motioned and Director Shah seconded to approve the 2024 Annual Report and Water Monitoring Report and to authorize final submission of the 2024 VLAWMO Annual Report to the BWSR and JPA member communities.

B. Projects and Programming

1. Consider LL2 2025-02 WBL Sports Center Bioswale Grant Application and MOU with City of WBL and Ramsey County SWCD

Sampedro presented a Landscape Level 2 grant application for a biofiltration swale in the southwestern corner of the White Bear Lake Sports Center in White Bear Lake. She gave background on the project site and described the findings of the proposed project's feasibility study, which was completed on November 11, 2024 by SRF Consulting Group, Inc. through a partnership between VLAWMO, the City of White Bear Lake, and Ramsey County Soil and Water Conservation Division. She shared that construction-ready designs were completed on February 10, 2025.

Sampedro gave an overview of the 9 bids received by the City of White Bear Lake. She noted the use of BWSR WBIF funding in conjunction with VLAWMO's Birch Lake subwatershed funds. The MOU for consideration would allow VLAWMO to partner with the City and RCWSCD on the construction of this project. Sampedro noted the financial obligations of the various organizations. Under the MOU, the City would manage the contract and VLAWMO would participate in meetings and collaborate on public signage. The City and RCSWCD have approved this MOU, with signed copies available.

Staff recommended the VLAWMO Board of Directors approve funding for the LL2 2025-02 City of White Bear Lake Sports Center Bioswale grant application; approve the MOU between VLAWMO, the City of White Bear Lake, and RCSWCD; and authorize the Board Chair and VLAWMO Administrator to execute the MOU.

Director Shah pointed out that the proposed project area parking lot becomes busy on certain nights and asked whether there is a fence. Sampedro confirmed there is a fence and noted that construction would occur after some known crowd-drawing events have occurred, likely beginning in May. She also noted that traffic control and signage will help.

Director Prudhon asked if staff was familiar with the low bid contractor. Sampedro noted that VLAWMO has worked with them several times in the past and has been pleased with their work and communication.

A motion was made by Director West and seconded by Director Prudhon to:

1. Approve the Landscape Level 2 grant application 2025-02, not to exceed \$89,791.65 in accordance with VLAWMO staff's recommendations, and established VLAWMO and BWSR WBIF program guidelines; and
2. Approve the MOU for construction of the White Bear Lake Sports Center swale retrofit project and authorize the Board Chair and VLAWMO Administrator to execute the MOU. Vote:
all: aye. Motion passed.

2. Consider CLP Grant Agreement, Rotary Park Project MOU with City of WBL and Contract with Contractor – Resolution 03-2025

Tanner provided background on the Rotary Park project and explained that the City of White Bear Lake led preceding restoration work at the project site. This project phase will cover 20.5 acres. The Board approved the submission of a draft CLP grant proposal in August, which was then submitted in partnership with the City. Partners were notified in December that the project was awarded funding that will go through the end of 2028, with a 10% cash match (less a VLAWMO in-kind contribution) to be shared between VLAWMO and the City.

Tanner explained that the TEC recommended authorizing the CLP grant contract and signing a MOU with the City at their February meeting. The City brought the MOU to their City Council and had it signed. Quotes were requested for the project. Two were received from MNL and NST.

Staff requested that the Board approve a Resolution 03-2025 recommendation to authorize signing the grant contract with CPL/MN DNR, authorize signing the MOU with the City of White Bear Lake and request staff to return the fully executed MOU to the City, accept the quote received from NST, and authorize VLAWMO staff to work with legal counsel to prepare a contract with NST to complete the restoration elements as identified in their scope and the attached documentation.

A motion was made by Director Prudhon and seconded by Director Doll Kanne to approve Resolution 03-2025 recommendation to authorize signing the grant contract CPL/MN DNR, authorize signing the MOU with the City of White Bear Lake and request staff to return the fully executed MOU to the City, accept the quote received from NST, and authorize VLAWMO staff to work with legal counsel to prepare a contract with NST to complete the restoration elements as identified in their scope and the attached documentation. Vote: all: aye. Motion passed.

RESOLUTION NO. 03-2025
of the Vadnais Lake Area Water Management Organization (VLAWMO)

A RESOLUTION AUTHORIZING the SELECTION OF A CONTRACTOR AND ENTERING INTO AN AGREEMENT for the ROTARY NATURE PRESERVE WETLAND RESTORATION PROJECT
Resolution 03-2025 was moved by Director West and seconded by Director Doll Kanne

WHEREAS, the Vadnais Lake Area Water Management Organization (“VLAWMO”) entered into a Memorandum of Understanding (“MOU”) with the City of White Bear Lake to work cooperatively on a multi-phase project to improve the Rotary Nature Preserve, including the upland and buffer areas of the property (“Rotary Project”);

WHEREAS, to help facilitate wetland restoration as part of the Rotary Project, VLAWMO developed a five-year work plan for the Rotary Nature Preserve Wetland Restoration Project (“Restoration Project”), sought, and received a Conservation Partners Legacy Grant from the Minnesota Department of Natural Resources in the amount of \$110,250 for four of the five years of the project;

WHEREAS, the total cost for the grant-funded portion of the Restoration Project is \$122,500, which means the required match amount is \$12,250;

WHEREAS, VLAWMO and the City of White Bear Lake have agreed to share project costs equally;

WHEREAS, VLAWMO requested and received two written quotes from contractors for the Restoration Project, the TEC and City of WBL have reviewed, and a recommendation for a contractor has been provided to the VLAWMO Board to accept the quote from Natural Shore Technologies.

NOW, THEREFORE, BE IT RESOLVED by the VLAWMO Board of Directors as follows:

1. The VLAWMO Board authorizes the Board Chair and Administrator to sign the grant contract with the Conservation Partners Legacy Program with the Minnesota Department of Natural Resources.
2. The VLAWMO Board authorizes the Board Chair to fully execute the MOU with the City of White Bear Lake for the project and authorizes staff to return to the fully executed MOU to the City.

3. The VLAWMO Board authorizes VLAWMO staff to work with legal counsel to accept the quote received by Natural Shore Technologies (NST) and prepare and execute a contract with NST to allow restoration work to commence.

The question was on the adoption of the resolution and there were 5 yeas and 0 nays as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>
<i>Andrea West</i>	X	<input type="checkbox"/>	<input type="checkbox"/>
<i>Ed Prudhon</i>	X	<input type="checkbox"/>	<input type="checkbox"/>
<i>Jim Lindner</i>	X	<input type="checkbox"/>	<input type="checkbox"/>
<i>Katherine Doll Kanne</i>	X	<input type="checkbox"/>	<input type="checkbox"/>
<i>Rob Rafferty</i>	<input type="checkbox"/>	<input type="checkbox"/>	X
<i>Sara Shah</i>	X	<input type="checkbox"/>	<input type="checkbox"/>

Upon vote, the Chair declared the Resolution adopted on this 23rd day of April 2025.

_____	Board Chair	Dated: April <u>23</u> , 2025
_____	Attest	Dated: April <u>23</u> , 2025

3. Consider 319 Grant Phase 2 Work Plan

Tanner presented an update on VLAWMO's work with project partners and the MPCA to prepare a work plan for phase 2 of the 319 Small, Priority Watershed grant program. Tanner shared that the MPCA requested a work plan be submitted to them by May 1, 2025. The MPCA anticipates final approval in August and anticipates the potential for ongoing financial uncertainty as it relates to federal funding.

Tanner explained that North Oaks Company (NOC)/North Oaks Farm is the landowner for the proposed project areas. She highlighted the potential project sites being considered for the project that would benefit Wilkinson Lake.

Staff requested that the Board approve the MPCA Work Plan for 319 Grant Phase 2 Project(s) with non-material changes and authorize submittal of the work plan to the MPCA by the May 1, 2025 deadline.

Chair Lindner asked whether there is a contingency plan regarding federal funding. Tanner responded that partners may need to reduce the project size if funding doesn't come through and noted a smaller project addressing erosion control could be pursued in the area.

Director Shah asked why target dates were not included in the materials. Tanner replied that the phase 1 work plan had been utilized as a model for these documents, and the MPCA had recommended removing timelines from that phase, as it avoids the need to go back for amendments if the timeline needs adjusting throughout the term of the grant.

Director Shah asked what sort of date range would be anticipated or targeted. Tanner replied that timing would depend upon timing of approval of the grant, completion of plans and specs, and anticipated optimal weather conditions that may be required for construction of potential

projects (e.g., there may be a need to construct during dry or frozen conditions). The grant timeframe will be 4 years. Once funding is finalized and as design work continues, stakeholder meetings and updates will be shared in advance and as available.

A motion was made by Director Doll Kanne and seconded by Director West to approve the MPCA Work Plan for 319 Grant Phase 2 Project(s) (attachment 2 in Board packet) with non-material changes and authorize submittal of the work plan to the MPCA by the May 1, 2025 deadline. Vote: all: aye. Motion passed.

C. Budget

1. Discussion and Consideration of Long Range Partnership Projects Table

Administrator Belfiori gave an update on a draft long-range partnership projects table. Belfiori explained that this was developed through discussions with representatives from VLAWMO's various member communities.

Administrator Belfiori drew attention to the project table's focus: maintaining momentum for pursuing long-range projects. He noted that the table will be shared again in June as part of the implementation section of the WMP.

Administrator Belfiori provided four budget scenarios with varying degrees of SSU rate modifications and fund balance estimated outcomes. He shared scenario four appears to be the best alternative for current reality from a high-level planning perspective. He shared that budgets may need to be adjusted due to the likelihood of costs going beyond originally-anticipated costs.

Administrator Belfiori provided a comparison of property tax levy amounts from other Ramsey County watershed management organizations compared to VLAWMO's SSU rates.

Staff requested that the Board review the attached long-range partnership project table and consider if the attached table generally captures a high-level plan for partnership projects for VLAWMO. Staff also requested that the Board discuss the long-range budgeting graphs and provide staff with input.

Director Prudhon asked whether Belfiori tracks other watersheds to see their costs. He then asked how VLAWMO ranks when the SSU goes up 5-7%. Belfiori answered that other neighboring watersheds' property tax rates also fluctuate based on project demand and have over time generally gone up as shown in the graphs.

Director Doll Kanne said she would be interested in a comparison with revenue collected per square mileage.

Director Doll Kanne and Chair Lindner expressed interest in a surface water comparison with cost in the future. Director Doll Kanne added the watershed management organization comparison feels like an apples to oranges comparison, given that VLAWMO is smaller. Belfiori responded that these comparisons were done in an effort to show watersheds with similar land use. He suggested to modify the table to show square mileage.

Director Doll Kanne noted the average home value comparison is confusing.

Administrator Belfiori clarified that in VLAWMO, landowner charges are based on stormwater runoff rather than a tax based on property evaluation as with other watershed management organizations.

Chair Lindner asked whether other watersheds budget annually like VLAWMO, as it is harder to project out beyond an annual basis. He shared the goal of making sure the budget is consistently discussed so that funding allows for meaningful work that accomplishes VLAWMO's mission.

Administrator Belfiori responded that this agenda item is meant to decipher whether VLAWMO is on the right path and ensuring adequate funds are available for the partnership projects that member communities are hoping to pursue long term. From a long-range perspective, where do member communities and VLAWMO want to end up in 5-10 years?

Director Doll Kanne expressed concerns with scenario four due to a decreasing fund balance in 2028-2030. She noted this could lead to VLAWMO doing less. Chair Lindner noted risk of inflation and cuts to account for.

Administrator Belfiori affirmed Director Doll Kanne's comments and highlighted that if projects are desired and there isn't available grant funding, VLAWMO will have to decide either to not pursue some of these projects or to pursue them later on/push them farther back in the 10-year table. Difficult decisions will need to be made as part of the annual budgeting process regarding which projects are pursued in the short term versus long term.

Director Prudhon asked whether these items are expressed in a priority order. Administrator Belfiori responded that these are not presented in a priority order, but rather a long range list of projects and a rough estimate of when those projects may be ready for implementation.

Director Doll Kanne shared that at the April 3 Board subcommittee, it was recommended by the three directors that the VLAWMO Board should continue to pursue the planned level of project implementation that is being done rather than needing to scale back due to financial constraints and lack of grants dollars being available. She said a 7% SSU rate was suggested, but now thinks a higher percentage, such as 10%, could be considered, especially with inflation and other potential budget pressures.

Director Prudhon stated that every community's budgets have gone up 8, 10, or even 25% and tonight's proposed budget helps justify an increased SSU for VLAWMO.

Director West asked whether the others were suggesting going to 10% rather than 7%.

Director Doll Kanne suggested not voting yes on 7 or 8%, but said she wasn't sure they would need to go to 10% as she didn't see what it looked like modeled. She clarified that she was not saying staff needed to provide every possible iteration, but rather that if the Board decides on 10%, they don't yet know what that will yield.

Chair Lindner asked to return to the requested Board discussion and action for this item. Administrator Belfiori clarified the focus of the two different budget agenda items on tonight's agenda, noting that this current agenda item is to get this type of high-level budget planning feedback from the directors that they are providing. He also noted that the VLAWMO subcommittee will have further discussion and will be providing their final recommendation to the full Board on the 2026 budget and 2026 SSU rate at their next meeting. The Board will then consider the subcommittee's recommended 2026 budget at the June 25th meeting.

Director Shah asked whether tonight's vote was to decide on the table.

Administrator Belfiori answered that the vote would serve as an advisory note at this point to see whether from a high level budget planning perspective if the partnership projects and which of the various scenarios most generally aligned with the Board's visions.

Chair Lindner reminded the Board of the proposed motion provided in the staff presentation and asked the Board if someone would like to make a motion on this item.

A motion was made by Director Shah and seconded by Director Doll Kanne to approve that the attached long-range partnership project table (Attachment 1) generally captures a high-level long range plan for partnership projects for VLAWMO. Vote: all: aye. Motion passed.

2. Discussion and Authorization of VLAWMO Subcommittee to Provide Recommendations on Rough Draft Preliminary 2026 Budget

Administrator Belfiori shared a preliminary rough draft of the 2026 budget, which was developed using the long-range table previously discussed and reviewed at the April subcommittee meeting. The subcommittee identified no concerns, but there were questions from the subcommittee to follow up with City staff and revise two specific budget items according to City staff recommendation.

Administrator Belfiori explained that the 2026 budget process primarily involves managing uncertainty from varied factors such as technical feasibility, project timing, partnership uncertainties, and uncertainties surrounding the outcome of federal and state grant funding. The general approach for the 2026 budget is to include some level of funding, but in many cases not the entire estimated project cost amount. Belfiori noted that there are a number of important and very high impact projects included in the 2026 draft budget and explained that some projects will be feasible, some will not be, and some won't be affordable for VLAWMO and partners without finding outside sources of revenue. The budget is a critical tool that allows VLAWMO to be "at the table" for these key projects.

Administrator Belfiori briefly highlighted key capital improvement projects from each of the subwatersheds, noting particularly large or high profile or high-cost proposed projects and potential partnerships. He also shared cost estimates from various proposed programs.

Administrator Belfiori noted projected income or revenue for 2026, projected grant revenue for 2026, and gave an overview of proposed next steps for the development of the 2026 budget.

Staff requested that the Board authorize the subcommittee to review the draft 2026 budget materials and provide the full Board recommendation(s) at the June 25 meeting.

A motion was made by Director Shah and seconded by Director Doll Kanne to authorize the subcommittee to review the draft 2026 budget materials and provide the full Board recommendation(s) at the June 25 meeting.

VII. Discussion – Discuss 6/25/25 June Board Meeting Date per Subcommittee Request

Administrator Belfiori identified that per the VLAWMO subcommittee request at their April 3rd meeting, it was asked to include this agenda item to discuss the currently Board approved

June 25th Board meeting. Director Shah shared she will not to be attending the June 25 meeting and will work to send an alternative representative from the City of North Oaks and identified that she will work to get them up to speed prior to the meeting. Director Doll Kanne said Vadnais Heights will not be represented at the meeting given all council members to her understanding are planning to attend the LMC conference. Director West noted that she will not be attending and said an alternative representative will be present from White Bear Lake. Director Prudhon stated he will be present. Director Shah expressed concern over what will be on the agenda and said there will need to be a certain level of confidence going in. At the end of the discussion Chair Lindner noted that it appears from the discussion that two alternatives are anticipated to attend alongside himself and Director Prudhon which would allow for achieving the required quorum number of four and therefore he decided that we will stay with the June 25th approved meeting date.

VIII. Administration Communication- Discussion on Scheduling Late May/Early June Board Subcommittee Meeting (possible dates: 6/2, 6/4 or 6/5)

Administrator Belfiori asked which subcommittee meeting dates would work for the subcommittee members. He noted the meeting would likely be at 6:30 pm in the Lakes Room at Vadnais Heights City Hall.

Chair Lindner said that any of the proposed dates would work for him. Director Doll Kanne said she could meet on the 2nd or 5th, which Director West echoed. Administrator Belfiori confirmed that an email invitation would follow with details for the subcommittee meeting which will be scheduled based on this feedback for either June 2nd or June 5th.

XI. Adjourn

A motion was made by Director Doll Kanne and seconded by Director West to adjourn at 8:46 pm. Vote: all: aye. Motion passed.